



## MANAGEMENT SERVICES DEPARTMENT

### MEMORANDUM

**DATE:** August 6, 2012

**TO:** Oversight Board of the Successor Agency to the former Temple City Community Redevelopment Agency

**FROM:** Brian Haworth, Assistant to the City Manager  
Greg Murphy, Assistant City Attorney

**SUBJECT:** Third Recognized Obligation Payment Schedule

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#### **RECOMMENDATION:**

It is recommended that the Oversight Board adopt Resolution No. OB-3 authorizing approval and transmittal of a recognized obligation payment schedule pursuant to Assembly Bill x1 26.

#### **BACKGROUND:**

1. Pursuant to Assembly Bill ("AB") x1 26 (as amended by AB 1484, the Dissolution Act), the former Temple City Community Redevelopment Agency was dissolved as of February 1, 2012. A separate legal entity known as the Successor Agency to the former Temple City Community Redevelopment Agency ("Successor Agency") was then designated to unwind affairs of the City's former redevelopment agency.
2. On May 7, 2012, the Successor Agency presented and the Oversight Board approved, a recognized obligation payment schedule covering enforceable obligation payments during the periods of January through June 2012 (the "first ROPS") and July through December 2012 (the "second ROPS") (Attachment "A").
3. In accordance with the Dissolution Act, the Successor Agency has prepared for Oversight Board approval a third recognized obligation payment schedule (the "third ROPS") covering enforceable obligation payments during the period of January 1 through June 30, 2013 (Attachment "B"). Oversight Board approval and submittal of the third ROPS is due to the State and County Auditor-Controller's Office no later than September 1, 2012.

### **ANALYSIS:**

The third ROPS addresses payments by the Successor Agency of the amounts due or required to be reserved or expended for enforceable obligations from January through June 2013. Of particular interest:

- The monthly payments on this schedule are estimates. The amounts to be disbursed in any given month may be higher or lower than the amount shown, not to exceed the aggregate amount shown for the six-month period.
- Payees identified on the schedule are those under contract for the period noted above. Vendors may change over time as necessary and appropriate to meet changing circumstances related to the services provided or to reflect new legal mandates.
- The schedule shows the removal of two line items that were on the second ROPS. These removed items were for auditing services required of the former redevelopment agency (no longer required) and a 1998 loan repayment to the City. The 1998 loan will be up for Oversight Board approval after the Successor Agency completes certain activities required by the Dissolution Act. Staff understands that until those activities are finished, the State Department of Finance will not approve payments on Agency-City loans.
- The schedule also includes two new line items, one for Oversight Board legal counsel (approved by the Oversight Board on July 16, 2012) and the other which will reimburse costs for an external “due diligence review” of former redevelopment agency and Successor Agency activities (to be conducted this fall). Staff does not know the entire amount due yet, so we will be bringing an amended ROPS to the Oversight Board in the next few months. For now, the Oversight Board should know that staff plans to have the City loan funds to the Successor Agency as allowed under the Dissolution Act to pay for administrative costs (if the Oversight Board approves) and for the loan to be on the ROPS until paid. We believe this is the best way to ensure that the accountant doing the review is timely paid.

The Dissolution Act, a trailer bill to AB x1 26 introduced on June 28, 2012 clarifies a component of the law, which establishes a deadline for submittal of the third ROPS. It must be submitted to the County Auditor-Controller’s Office, and State Controller’s Office and Department of Finance (“DOF”) no later than September 1, 2012.<sup>1</sup> If the approved third ROPS is not submitted by that deadline, the Successor Agency is subject to a \$10,000 fine for every day it is late. Therefore, it is imperative that the Oversight Board review and approve the third ROPS at this meeting.

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<sup>1</sup> Prior to the Dissolution Act, the Successor Agency and Oversight Board had until October 1, 2012 to approve the third ROPS.

The Dissolution Act will also require the Oversight Board to meet a number of times in the late-September/early-October time period to approve the due diligence review (housing portion) discussed above and again in November and December to approve the due diligence review (non-housing portion). The meeting dates cannot be calendared until the accountant begins work on the review, and no accounting firm will begin until given a set of standards by the State. So at this point, staff is waiting for the State to act so that the review process can proceed.

As implied above, staff also believes that an amended ROPS will come to the Oversight Board in the September or October time frame. Because of the early date for this ROPS, as explained above, the heavy financial penalties for failing to timely submit the ROPS, and the extended DOF review period, we anticipate that a number of successor agencies will be taking this same course – submit a conforming ROPS and then amend that ROPS prior to disbursement of property tax by the County Auditor-Controller.

### **CONCLUSION:**

After Oversight Board adoption of the third ROPS, staff will present the document for Successor Agency approval on August 21, 2012. It then be posted to the City's website and submitted no later than September 1, 2012 for certification and review by the Los Angeles County Auditor-Controller, State Department of Finance and State Controller's Office. These actions will allow the County Auditor-Controller to transfer property taxes to the Successor Agency's Redevelopment Obligation Retirement Fund, from which the Successor Agency will pay those enforceable obligations listed on the third ROPS. Staff does anticipate some changes to the ROPS, but in order to meet statutory deadlines, we are bringing this version to the Oversight Board now with any subsequent amendments this fall (which are required to complete due diligence review).

### **FISCAL IMPACT:**

There is no financial impact to the Oversight Board in its approval of the third ROPS. The document lists outstanding obligations of the City's former redevelopment agency, which will be handled and paid by the Successor Agency.

### **ATTACHMENT:**

- A. First and Second ROPS
- B. Third ROPS
- C. Resolution

## **ATTACHMENT B**

Successor Agency Contact Information

Name of Successor Agency:	Successor Agency to the Temple City
County:	Community Redevelopment Agency
	Los Angeles
Primary Contact Name:	Tracey Hause
Primary Contact Title:	Administrative Services Director
Address	9701 Las Tunas Dr., Temple City CA 91780
Contact Phone Number:	(626) 285-2171, ext. 2314
Contact E-Mail Address:	<a href="mailto:thause@templecity.us">thause@templecity.us</a>
Secondary Contact Name:	Brian Haworth
Secondary Contact Title:	Assistant to the City Manager
Secondary Contact Phone Number:	(626) 285-2171, ext. 2323
Secondary Contact E-Mail Address:	<a href="mailto:bhaworth@templecity.us">bhaworth@templecity.us</a>

**SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE**  
Filed for the January 1, 2013 to June 30, 2013 Period

**Name of Successor Agency:** Successor Agency to the Temple City Community Redevelopment Agency

	<b>Total Outstanding Debt or Obligation</b>
<b>Outstanding Debt or Obligation</b>	<b>\$ 12,355,835</b>
<b>Current Period Outstanding Debt or Obligation</b>	<b>Six-Month Total</b>
A Available Revenues Other Than Anticipated RPTTF Funding	2,318,691
B Enforceable Obligations Funded with RPTTF	612,262
C Administrative Allowance Funded with RPTTF	-
D Total RPTTF Funded (B + C = D)	612,262
Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be same amount as ROPS form six-month total</i>	2,930,953
E Enter Total Six-Month Anticipated RPTTF Funding	612,262
F Variance (D - E = F) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>	<b>\$ -</b>
<b>Prior Period (January 1, 2012 through June 30, 2012) Estimated vs. Actual Payments</b> (as required in HSC section 34186 (a))	
G Enter Estimated Obligations Funded by RPTTF <i>(Should be the same amount as RPTTF approved by Finance, including admin allowance)</i>	403,606
H Enter Actual Obligations Paid with RPTTF	177,251
I Enter Actual Administrative Expenses Paid with RPTTF	1,942
J Adjustment to Redevelopment Obligation Retirement Fund (G - (H + I) = J)	224,413
<b>K Adjustment to RPTTF</b>	<b>\$ 387,849</b>

Certification of Oversight Board Chairman:  
Pursuant to Section 34177(m) of the Health and Safety Code,  
I hereby certify that the above is a true and accurate Recognized  
Obligation Payment Schedule for the above named agency.

Name	Title
Signature	Date

Name of Successor Agency: Successor Agency to the Temple City Community Redevelopment Agency  
County: Los Angeles

Oversight Board Approval Date: \_\_\_\_\_

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III)  
January 1, 2013 through June 30, 2013

Item #	Project Name / Debt Obligation	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-13	Funding Source						
									LMIHF	Bond Proceeds	Reserve Balance	Admin Allowance	RPTTF	Other	Six-Month Total
	Grand Total						\$ 12,355,835	\$ 3,590,506	\$ -	\$ 2,318,691	\$ -	\$ -	\$ 612,262	\$ -	\$ 2,930,953
1	2005 Tax Allocation Refunding Bonds (2005 TABS)	Sept. 2005	Sept. 2025	Bank of New York Trust Co.	Refunds the former agency's 1993 Revenue Bonds and funds lawful redevelopment activities.	Rosemead Blvd.	9,213,608	616,576					139,163		139,163
2	Rosemead Boulevard Enhancement Project	Nov. 2012	Nov. 2014	TBD	For construction, project administration and other costs (to be paid with unspent 2005 TABS proceeds).	Rosemead Blvd.	1,854,953	1,854,953		1,854,953					1,854,953
3	Professional Services Agreement	N/A	N/A	Burke, Williams and Sorenson, LLP	For Successor Agency legal counsel services.	Rosemead Blvd.	N/A	72,000					36,000		36,000
4	Professional Services Agreement	N/A	N/A	Colantuono and Levin	For Oversight Board legal counsel services.	Rosemead Blvd.	N/A	36,000					18,000		18,000
5	Professional Services Agreement	N/A	N/A	Seifel Consulting, Inc.	For Successor Agency advisory services.	Rosemead Blvd.	N/A	24,000					12,000		12,000
6	Professional Services Agreement	N/A	N/A	Vavrinke, Trine, Day & Co.	For due diligence reviews (per AB 1484).	Rosemead Blvd.	N/A	25,000					25,000		25,000
7	Professional Services Agreement	N/A	N/A	Urban Futures, Inc.	For 2005 TABS performance obligations.	Rosemead Blvd.	N/A	2,150					2,150		2,150
8	Administrative Costs	N/A	N/A	Successor Agency	For administrative and Oversight Board meeting costs.	Rosemead Blvd.	N/A	162,480					81,240		81,240
9	Statutory Pass-Through Payments	N/A	N/A	City of Temple City	Per Health and Safety Code 33607.5 and 33607.7.	Rosemead Blvd.	4,900	4,900					2,450		2,450
10	Statutory Pass-Through Payments	N/A	N/A	Other Taxing Entities	Per Health and Safety Code 33607.5 and 33607.7.	Rosemead Blvd.	64,900	64,900					32,450		32,450
11	Housing Bond Proceeds	N/A	N/A	City of Temple City Community Development and Housing Authority	For affordable housing activities (to be paid with unspent 2005 TABS proceeds).	Rosemead Blvd.	463,738	463,738		463,738					463,738
12	Low Moderate Housing Fund Deferred Payment	N/A	N/A	City of Temple City Community Development and Housing Authority	For repayment of deferred FY 1985-86 and 1995-96 Housing Fund deposits pursuant to HSC 33334.6.	Rosemead Blvd.	753,736	263,809					263,809		263,809

Name of Successor Agency:Successor Agency to the Temple City Community Redevelopment Agency  
County:Los Angeles

Pursuant to Health and Safety Code Section 34186 (a)  
PRIOR PERIOD ESTIMATED OBLIGATIONS vs. ACTUAL PAYMENTS  
RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS I)  
January 1, 2012 through June 30, 2012

Page/Form	Line	Project Name / Debt Obligation	Payee	Description/Project Scope	Project Area	LMIHF		Bond Proceeds		Reserve Balance		Admin Allowance		RPTTF		Other	
						Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual
	1	2005 Tax Allocation Refunding Bonds (2005 TABS)	Bank of New York Trust Co.	Refunds the former agency's 1993 Revenue Bonds and funds lawful redevelopment activities.	Rosemead Blvd.									147,412	147,412		
	2	Rosemead Boulevard Enhancement Project	Various contracts	For construction, project administration and other costs (to be paid with unspent 2005 TABS proceeds).	Rosemead Blvd.			429,700	434,203								
	3	City Loan	City of Temple City	For payment of prior loans for various non-housing projects.	Rosemead Blvd.									0	0		
	4	Professional Services Agreement	Burke, Williams and Sorenson, LLP	For Successor Agency legal counsel services.	Rosemead Blvd.									37,500	27,190		
	5	Professional Services Agreement	Seifel Consulting, Inc.	For Successor Agency advisory services.	Rosemead Blvd.									14,000	499		
	6	Professional Services Agreement	Vasquez and Associates	For former redevelopment agency auditing services.	Rosemead Blvd.									1,800	0		
	7	Professional Services Agreement	Vavrinke, Trine, Day & Co.	For due diligence reviews (per AB 1484).	Rosemead Blvd.												
	8	Professional Services Agreement	Urban Futures, Inc.	For 2005 TABS performance obligations.	Rosemead Blvd.									2,500	2,150		
	9	Administrative Costs	Successor Agency	For administrative and Oversight Board meeting costs.	Rosemead Blvd.									92,747	1,942		
	10	Employee and Benefit Costs	Successor Agency	For staffing and benefit costs associated with general administrative functions (per AB x1 26).	Rosemead Blvd.									72,747	0		
	11	Statutory Pass-Through Payments	City of Temple City	Per Health and Safety Code 33607.5 and 33607.7.	Rosemead Blvd.									2,450	0		
	12	Statutory Pass-Through Payments	Other Taxing Entities	Per Health and Safety Code 33607.5 and 33607.7.	Rosemead Blvd.									32,450	0		
	13	Housing Bond Proceeds	City of Temple City Community Development and Housing Authority	For affordable housing activities (to be paid with unspent 2005 TABS proceeds).	Rosemead Blvd.			463,738	-								
			Grand Total			\$ -	\$ -	\$ 893,438	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 403,606	\$ 179,193	\$ -	\$ -

## **ATTACHMENT C**

**RESOLUTION NO. OB 2012-03**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF  
THE CITY OF TEMPLE CITY APPROVING THE RECOGNIZED OBLIGATION  
PAYMENT SCHEDULE (ROPS) FOR THE PERIOD OF  
JANUARY 1, 2013 THROUGH JUNE 30, 2013**

**WHEREAS**, the Oversight Board to the Successor Agency to the dissolved Temple City Community Redevelopment Agency has been appointed pursuant to the provisions of Health and Safety Code Section 34179; and

**WHEREAS**, Health and Safety Code Sections 34177(l)(2)(B) and 34180(g) require the approval of the Recognized Obligation Payment Schedule by the Oversight Board (ROPS); and

**WHEREAS**, AB 1484 added Health and Safety Code Section 34177(m) that requires the ROPS for the period of January 1, 2013 to June 30, 2013 to be submitted by the Successor Agency, after approval by the Oversight Board, no later than September 1, 2012; and

**WHEREAS** a ROPS for the period of January 1, 2013 through June 30, 2013, has been prepared and presented to the Oversight Board for its consideration at a regular meeting held on August 6, 2012;

**NOW, THEREFORE BE IT RESOLVED**, by the Oversight Board as follows:

**Section 1. Recitals.** The Oversight Board, at its August 6, 2012 meeting, reviewed and considered the ROPS presented by the Successor Agency.

**Section 2. Approval of the ROPS.** The Oversight Board hereby approves and adopts the ROPS for the period of January 1, 2013 through June 30, 2013, as set forth in form attached hereto to this resolution.

**Section 3. Implementation.** The Oversight Board hereby directs that copies of the approved ROPS be submitted to the Los Angeles County Auditor-Controller, the State of California Controller and the California Department of Finance and to post the ROPS on the City of Temple City website.

**Section 4. Effective Date.** Pursuant to Health and Safety Code Section 34179(h), all actions taken by the Oversight Board, may be reviewed by the California Department of Finance, and therefore, this Resolution shall not be effective for five (5) business days, pending a request for review by the California Department of Finance.

**PASSED AND ADOPTED** by the Oversight Board of the Successor Agency of the City of Temple City at a meeting held on this 6th day of August, 2012, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

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**Chairperson**  
Oversight Board of the  
Successor Agency of the  
City of Temple City

**ATTEST:**

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, Deputy Clerk  
County of Los Angeles, Board of Supervisors  
Acting as Secretary to the City of Temple City  
Oversight Board